GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5784
ANSWERED ON:02.05.2003
CONDITIONS OF TOBACCO GROWERS
VUKKALA RAJESWARAMMA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a delegation of tobacco growers of Andhra Pradesh has held a meeting with him recently and requested to help the tobacco growers who are in pitiable conditions;

(b) if so, the main demands of the tobacco growers;

(c) the Government`s response on their demands?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b): Yes, Sir. The main demands of the delegation are as below:

i) Permit the Tobacco Board to undertake market intervention operations during the current marketing season.
ii) Create an exclusive Price Stabilization Fund for FCV tobacco.
iii) The Tobacco Board must continue to regulate crop production and fix the individual crop quotas. The Peer Review Committee recommendations in this regard should be overlooked.
iv) Tobacco Board may be given plan assistance of Rs 54.50 crores during the 10th Plan.
v) Foreign Direct Investment should be allowed in tobacco sector and foreign merchants should be allowed to participate in the auctions directly to create competition in the market.

(c) Tobacco Board is required to intervene in the market when prices of Flue Cured Virginia (FCV) Tobacco fall below the Minimum Support Price (MSP).At present, the prices prevailing in the ongoing tobacco auctions in Andhra Pradesh are above the MSP.The Government, after due consideration, has already constituted a Price Stabilization Fund for tobacco growers alongwith some other plantation crops. The Board has been provided with a plan assistance of Rs 2 crores. As regards`Peer Review`, the process of consulting the concerned State Governments on the recommendations made in the Report has been taken in hand. Under extant Industrial Policy, investment in cigars and cigarettes of tobacco and manufactured tobacco substitutes are subject to compulsory licensing.